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Invasion of Tibet Brings Chinese-Indian Discord

The approach of Chinese Communist troops toward the Forbidden City of Lhasa and the possible flight of the "Living Buddha"—the Dalai Lama, head of the Tibetan theocratic government—have disturbed relations between New Delhi and Peiping. Coupled with the intrusion of Chinese Communists into the Korean war and the grave problems thereby raised for the UN forces, this development marks a new phase of Chinese Communist activity. Whether it represents a compact between Moscow and Peiping to extend Communist domination throughout Asia or merely the attempt of Chinese leaders to consolidate and safeguard control over their national territory cannot as yet be determined.

Tibetan Ambivalence

Some light may be shed on this question by Tibet's national policy, which is strangely ambivalent toward China, reflecting a strong drive for independence joined with a need for assistance in maintaining control over a heterogeneous population rent by internecine conflicts.

Even under the mild rule established by the Manchu dynasty in the eighteenth century, which permitted *de facto* autonomy in domestic matters, the Tibetans grew restive. The Manchu rulers, for their part, also began to fear that Britain would detach Tibet as a colony, a fear made plausible by the expedition of Colonel F. E. Younghusband in 1904 which imposed a treaty with the Lhasa authorities opening up trade and making certain commitments to the British. This expedition was motivated primarily by the desire of Britain to stabilize the north-

east frontier of India, to facilitate trade and to counteract Russian expansionism. The Anglo-Russian convention of 1907, apportioning spheres of interest in Asia, recognized China's suzerainty in Tibet and bound the parties to deal with the area only through Peking.

The Manchus then decided to impose a strong regime in Lhasa, culminating in the dispatch of an expedition in 1909. The Dalai Lama fled to India and the Peking authorities announced his deposition. After the revolution of 1911 the Chinese garrison withdrew and the Dalai Lama returned, grateful to the British who had saved him. The new Chinese republican regime planned to send an expeditionary force to recapture Tibet but was dissuaded by British insistence that Peking establish relations with Lhasa by peaceful negotiation rather than by military conquest.

Meanwhile bitter quarrels arose between the Dalai Lama, and the Panchen Lama, resulting in the latter's flight to China about 1920. The Panchen Lama is head of a powerful lamasery near the important city of Shigatse and exercises nominally supreme religious authority as contrasted with the secular power of the Dalai Lama. The powerful thirteenth Dalai Lama died in 1933, and his successor, the present 16-year-old incumbent, was installed in 1940. Meanwhile, the Panchen Lama died in China in 1938, and difficulties arose over the selection of a successor. One candidate was put forward in the former Tibetan territory of Chinghai, which has been converted into a Chinese province in recent times. Known as the Kumbum Lama, from the place

of his origin, this young boy was installed by his supporters and has been captured by the Chinese Communists, who have taken up his cause as a means of gaining support within Tibet. A rival candidate for acceptance as the authentic "reincarnation" of the Panchen Lama, however, is currently being kept in a lamasery near Lhasa, and the Dalai Lama does not recognize the Kumbum Lama.

Chinese Drives

Support for the claims of the Kumbum Lama provides only one of the factors in Peiping's desire to take over Tibet. For reasons of prestige Communist China desires to consolidate as much of the former Manchu empire as it can.

Control of the Holy City of Lhasa, moreover, would increase Peiping's influence in Mongolia. It would help resolve an acute border problem in Sikang where the mixed and anarchic population affords protective cover for anti-Communist Chinese. The farther the Communists extend their authority, the more these opposition elements can retreat toward Tibet. The only ultimate solution for Peiping, therefore, is to establish its control over Lhasa. The large Tibetan population in Sikang, furthermore, provides a reservoir of leaders and troops who can be induced to help integrate their area with the rest of Tibet and consequently participate actively in the Communist army now advancing to "liberate" the country.

The Chinese also have a basic economic strangle-hold over Tibet by way of the tea trade. All Tibetans make use of tea as the matrix within which most of their

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food is prepared and eaten. But only certain brands of tea coming from China satisfy the Tibetan palate. By threatening to embargo this critical traffic, therefore, the Chinese can throw all of Tibetan society into an uproar.

The Lhasa rulers fear the Chinese Communists more than any previous imperial authorities, however, since the new regime may insist on reforms which would weaken, if not destroy, the feudalistic power of the lamaseries and aristocratic families. At the same time the opposition factions, rallying about the Panchen Lama, hope that Peiping will help them gain power. According to rumor, they have already staged a coup in Lhasa, apparently hoping that the Chinese, following tradition, would permit them to maintain traditional social arrangements. How-

ever much the average Tibetan may be exploited, he clings to religious institutions which could not be overthrown without grave social consequences.

One by-product of the Chinese conquest of Tibet is that Communist agents will have access to India through its northern passes. The Chinese may also revive claims to former Tibetan territory south of the spine of the Himalayas, especially autonomous Bhutan and Indian-controlled Sikkim, as well as the western area of Ladak in the disputed province of Kashmir. Communist pressure is also intensifying an internal struggle within the strategic border kingdom of Nepal where, on November 7, the King, who had advocated concessions to the reformers, was forced to take refuge in the Indian Embassy.

The Chinese Communists have demanded that India withdraw troops guarding its trade in Tibet. New Delhi, as a result of these developments, may have to spend much needed resources to guard a frontier which, until now, it considered safe.

Although it is apparent that there are indigenous reasons for Peiping to seek control of Lhasa, it is not clear that these objectives could not have been obtained through peaceful negotiation. Whatever the motives that inspired the Chinese Communists, however, there can be no doubt that this step will further the expansion of international communism and may well delay Peiping's admission to the UN, particularly because of possible changes in India's foreign policy.

FRED W. RIGGS

Puerto Rican Plot Highlights U.S. Dependency Issues

WASHINGTON—The unsuccessful attempt by members of the Puerto Rican Nationalist party on November 1 to assassinate President Truman drew attention to the fact that the United States, as well as the colonial powers of Europe, faces problems in dealing with dependent territories.

Since the end of World War II this country has improved the status of its principal dependencies in keeping with Article 73 of the United Nations Charter, which calls upon colonial powers to "recognize the principle that the interests of the inhabitants of the territories are paramount, and [to] accept as a sacred trust the obligation to promote to the utmost . . . the well-being of the inhabitants of these territories." Changes have been realized or planned in the administration of Alaska, Hawaii, Guam, the Trust Territory of the Pacific (Marshalls, Carolines and Marianas), American Samoa, the Virgin Islands and Puerto Rico. The federal administration has arranged for the replacement of military with civilian control for all dependencies except the Canal Zone, Midway and Wake. Policies aimed at increasing the degree of political liberty and improving the economic well-being of the areas have been inaugurated. Yet difficulties remain.

Puerto Rico Since 1948

Few inhabitants of the territories and other dependencies seek independence from the United States. An exception is the Puerto Rican Nationalist party, whose members attacked the residence of Puerto Rican Governor Luis Muñoz Marin a few

days before the attempt to kill President Truman. The Nationalists traditionally boycott elections, but the Independent party, another advocate of cutting ties with the United States, won only 10 per cent of the vote in the gubernatorial elections of 1948. Parties supporting statehood for Puerto Rico polled 27 per cent, and Muñoz Marin's party, advocating local self-rule without statehood, polled 63 per cent. Eighty per cent of the enfranchised men and women voted.

The Nationalist party blames the United States for the hardships of life in Puerto Rico. The island's population of 2,250,000 (640 to the square mile; increasing by 65,000 a year) exceeds the capacity of the present Puerto Rican economic activity to support it. Puerto Ricans migrate in large numbers to take up permanent residence on the United States mainland and in the Virgin Islands. Others work seasonally on farms in the United States. The standard of living—sustained by a monotonous and deficient diet of which codfish is the staple food—is lower than in any state of the Union (although higher than most Latin American countries). School facilities are so inadequate that 42 per cent of the children of school age do not attend classes, although 40 per cent of the Puerto Rican budget goes to education.

The United States stimulates the islanders to solve their problems through orderly processes, encouraging them to be economically and politically self-reliant. Congress in 1947 authorized Puerto Rico to elect its own governor. President Tru-

man on July 3, 1950 signed an act of Congress allowing Puerto Ricans to draft their own constitution if in a referendum they signify their desire to do so.

The economic policy of Muñoz Marin, the first elected governor, is to diversify agricultural production and begin industrialization. Puerto Rico can trace economic instability in the past to reliance on sugar for its income. The quotas fixed under the Sugar Act of 1947 restrict the United States market for Puerto Rican sugar. Sales of rum, \$65 million in 1944, fell to \$5 million last year. By granting 12 years' exemption from local taxes, Puerto Rico has attracted 50 industries since 1948. They are exempt from federal taxes as long as Puerto Rico continues its present political relationship with the United States.

The Virgin Islands, close to Puerto Rico, have an expanding economy. Despite the influx of Puerto Ricans (now one-fourth the population of 31,000), the islands have no unemployment. The minimum wage has increased from \$1 a day to 30 cents an hour. Twelve new hotels, containing 600 rooms, stimulate the tourist trade. Yet the economic future of the islands is uncertain. The Virgin Islands Corporation (established as a federal corporation on June 30, 1949, succeeding the Virgin Islands Company of 1934) has improved the efficiency of the sugar economy by doubling yields on corporation lands and reducing the cost of production, but the cost remains high compared with Puerto Rico. The total sugar output of the Virgins is so slight that the islands'

mill cannot grind the crop economically, and rum is no longer a profitable by-product. The emphasis which Congress has placed on sugar culture in authorizing the operation of the corporation prevents the broadening of the economic base of the Virgin Islands. This dependency needs funds for sound irrigation and soil-conservation programs to combat a falling water table now dropping one inch a year.

Citizenship and Statehood

Recent presidential and Congressional actions stress self-reliance for other dependent areas. President Truman has transferred the administration of Guam from the Navy Department to the civilian Interior Department (effective last August 1), ordered similar transfer for American Samoa and the Trust Territory to take place on July 1, 1951 and has recommended the elevation of Alaska and Hawaii to statehood.

Congress has augmented the President's policy toward Guam by enacting a law granting citizenship to Guamanians and establishing a United States court on the island. For the first time the Guamanians may demand trial by jury. The Guam Congress has authority to pass laws (al-

though the governor, appointed by President Truman, has the veto).

The small island (30 miles long by 4 to 8 miles wide) is a more important naval base than it was when the Navy Department controlled it politically. Military installations cover half of it. Its population includes 25,000 members of the armed forces; 13,000 Filipino contract laborers; 8,000 American civil service and contractors' employees; 1,000 Americans who have moved to Guam for permanent residence; and 28,000 Guamanians. The island still suffers from the 32-month Japanese occupation during World War II and the destruction incidental to the American liberation of the island. Agana, the capital, once a town of 12,000, has housing for only 600.

The farm population was dislocated by the slowness with which the Navy returned farm lands to the owners after the war. Relations between military personnel and the Guamanians is uneasy. The educational system, however, is good, and scholarships are awarded for colleges in Hawaii and the United States mainland. The United States government provides hospital and doctors' services, but Governor Carlton Skinner is seeking

doctors and dentists who will settle in Guam as private practitioners, charging fees.

Congress has not satisfied President Truman's request for statehood for Alaska and Hawaii, the incorporated territories. One reason is Southern opposition to any move that would increase the Congressional votes in favor of the President's civil rights bill. Congressional inaction harms Alaska more than Hawaii. Hawaii is prosperous and well-populated. Alaska, in the opinion of the Interior Department, needs statehood in order to increase its population and expand its economy. In the absence of voting representation in Congress, residents of Alaska are subject to economic policies over which Alaskans have no control. Water transportation is almost monopolistic and so expensive that the cost of living is high. The United States Forest Service retards road building in the name of conservation, but lack of highways impedes the internal economic development of Alaska. Such policies discourage new settlers. Proponents of Alaskan statehood argue that the territory's military defense would be easier if the area were more heavily populated.

BLAIR BOLLES

ECA Attitude Stiffens as Marshall Plan Nears End

As the European Recovery Program rounds the turn and heads into the stretch, it becomes clear that the guiding hand of the Economic Cooperation Administration is grasping the reins with increasing firmness. In the early stages of the program—when Europe was still surveying the devastation caused by World War II—former Administrator Paul G. Hoffman frequently lauded the initiative, determination and first-feeble gains of the participating nations. Now that industrial production in Europe is 27 per cent ahead of the 1938 level and agricultural output, increased by 25 per cent during the current crop year, promises to exceed the prewar figures, the Economic Cooperation Administration is beginning to "get tough."

Specific Cases

Britain, Greece, Italy, France, Western Germany and even Norway have felt the sting of the new attitude. William L. Batt, the new Marshall plan administrator for Britain, is expected to begin discussion soon on the possibility of suspending or curtailing Marshall plan aid to Britain. Two factors explain the

American position. First, the gold and dollar reserves of the British Treasury have risen to the very substantial figure of \$2.756 billion. The executive board of the International Monetary Fund stated last week that, in its view, British reserves were neither "very low" nor in danger of "serious decline." Second, this country feels that too much dollar aid is being used to finance current expenditures. If the need for funds to meet current operating expenses is so great, ECA officials feel Britain could illustrate the urgency of the need by cutting down somewhat on the host of social services that are financed by the government.

Britain has not yet been granted its full allocation of authorized aid for the current fiscal year, and it is likely that no more funds will be released until after a series of Anglo-American economic discussions have taken place. In addition, ECA officials have refused to release over \$860 million in counterpart funds because the money was requested for debt retirement rather than direct productive uses.

Direct American aid to Greece was slashed by \$67.2 million in October be-

cause ECA objected to the manner in which the Athens government disposed of the dollars. Marshall plan officials contended that political blundering and faulty economic policy has caused Greek recovery to fall 40 per cent behind schedule. The Greek Finance Minister Stavros Costolopoulos announced on October 7 that all laws deemed necessary for enforcement of the ECA's recommendations to the Greek government will be put into effect during the month of November. The main changes include the abolition of unjustified tax exemptions as well as an overhauling of the tax machinery to make the collection process more efficient. Besides this, it is planned to institute price control on a wide scale to keep the standard of living as stable as possible.

In recent weeks Leon Dayton, ECA administrator for Italy, has leveled several blasts against the management policies of Italian industrialists and against the fiscal policies of the Rome government. Dayton charged that Italian businessmen were thinking more of their own profits than of reducing costs, increasing output and improving standards of living. The government was accused of exercising undue

caution by following restrictive fiscal policies. The cabinet has tended to concentrate on husbanding reserves and balancing the budget at a time when a tremendous volume of investment is needed to raise the productive potential of the economy. The 10 per cent rate charged for bank loans in Italy testifies to the timidity the government has shown in spending money. As a result of the tumult stirred up in Italy by Mr. Dayton's charges, the near future will probably see a series of conferences between Italian officials, industrialists and ECA personnel.

ECA has indicated that it feels the entire system of French finance is unsound and that this is one of the prime reasons for the inequitable distribution of income within that country. The tax machinery has to be tightened and rates revised so that the government can take a bigger bite out of the income of farmers and businessmen. The ECA program of aid to Indo-China has also resulted in a disagreement with French officials. ECA has \$23 million—taken from the unused \$60 million appropriation for the general area of China—to spend in Vietnam, Laos and Cambodia. Paris objected to using these monies to finance dollar imports because it feared opening up the Indo-China market to non-French goods. An agreement permitting \$2 million of dollar imports has already been reached, and it is hoped that future negotiations will iron out remaining disputes. However, in the case of metropolitan France it is not so easy for ECA to press for a tax program that favors one sector of the French economy as opposed to another.

On October 25 Jean Cattier, new Marshall plan administrator for West Germany, called on the Bonn government to take a larger portion of the income of its wealthier citizens in taxes. Labeling the German tax structure as "one of the most regressive in the world," Cattier said a tax revision was necessary so that Germany could prepare itself for higher occupation costs.

Whereas Italy, in the opinion of ECA officials, places too small a percentage of its national income in investment activities, the Norwegian government is considered to be guilty of overinvesting with the result that the economy is a bit too austere.

Branch and Affiliate Meetings

DETROIT, November 14, *Behind the Fog in Asia*, George Shepherd
ELMIRA, November 14, *American Foreign Policy in the Far East*, Dexter Perkins
ALBANY, November 15, *This Crucial United Nations Year*, Chester S. Williams
WORCESTER, November 15, *A New India in a New World*, M. S. Sundaram, Charles Fawcett
BOSTON, November 16, *Is Democracy Possible in Indo-China?*, Jacques May, James Grant
NEW YORK, November 16, *Prospects in the Balkans*, Raoul Aglion
PROVIDENCE, November 16, *Great Power Strategy in the Far East*, Sevellon Brown, III
HARTFORD, November 17, *Why There Is a Cold War*, Joseph Harsch
NEW YORK, November 18, *Psychological Warfare and Propaganda*, Student Forum, Edwin J. Kretzmann
ST. PAUL, November 18, *India*, Ambassador V. L. Pandit
NEW YORK, November 20, *The North Atlantic Pact in Relation to the UN*, Hon. John Sherman Cooper, Howard C. Gary
MILWAUKEE, November 24, *Anglo-American Relations*, Paul Gore-Booth
PHILADELPHIA, November 24, Philip C. Jessup
POUGHKEEPSIE, November 25, *The UN as a Power for Peace*, Sir Gladwyn Jebb, Mrs. Franklin D. Roosevelt

Why the Change?

How can this more aggressive attitude of the ECA be explained? There are several elements in the answer. The ECA is due to expire in 1952, and ECA officials are doubtless trying to impress European leaders that they must be prepared to take all steps to make their economies as strong as possible before the Marshall plan props are removed. The new defense effort and the resulting increase in this country's imports of raw materials, especially from the sterling area, have gone a long way towards lessening what appeared to be a chronic trade imbalance. In the 13 months since the currency devaluations of September 1949 foreign countries have added more than \$1.5 billion to their gold or dollar reserves. Since European countries are stronger both on current account and in reserve strength, it is only natural that ECA should expect them to assume some of the economic responsibility that goes with a viable economy. Also important is the fact that this nation is fearful of the danger of Communist aggression and looks upon the nations of the North Atlantic alliance as the vital core of democratic strength. It thus seems of utmost importance to the United States that these countries should utilize their own and American resources in a manner best calculated to build a

News in the Making

SUSTAINING U.S. STRENGTH: A defense production program lasting four years or longer was forecast on November 5 by Secretary of Defense George C. Marshall at a meeting of the Commerce Department's Business Advisory Council at Sea Island, Ga. Although General Marshall gave no figures, unofficial estimates at the conference predicted a military budget of \$55 billion for 1951-52.

NO U.S. AMBASSADOR FOR MADRID: Termination of the diplomatic boycott on Spain by a General Assembly vote of 38 to 10 on November 4 is not expected to change Washington's policy toward Franco. President Truman told his press conference on November 2 that it would be a long, long time before there is a United States ambassador in Madrid.

ELECTIONEERING IN BRITAIN: Britain appeared heading for a new spurt of political controversy which may culminate in a new general election next year. The Labor government's program for the session of Parliament beginning October 31 included a proposal to enact into permanent legislation wartime economic controls that previously have been extended from year to year. Opposition leader Winston Churchill challenged the measure as a "blank check," beginning a sharp debate which may bring another challenge to Labor's slim majority in Commons.

SWISS CALM ABOUT EPU'S TROUBLES: Swiss financial circles see no cause for alarm in the fact that West Germany has exhausted its yearly line of credit in the European Payments Union within a period of less than 3½ months. They contend that the raw material price rise brought on by the Korean war, the unexpectedly rapid recovery of the German economy and the unrealistic EPU quota assigned the Bonn government account for the present temporary impasse. Meanwhile, the Netherlands is perturbed by the fact that Germany, its best foreign market, has already begun to curtail its imports of Dutch agrarian and fishing produce as a result of its EPU difficulties.

reservoir of economic and military strength for the democratic world.

HOWARD C. GARY